

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: EQUITABLE RESOURCES EXPLORATION,)	
a Division of Equitable Resources)	VIRGINIA GAS
Energy Company)	AND OIL BOARD
)	
RELIEF SOUGHT: POOLING OF INTERESTS IN A)	
DRILLING UNIT LOCATED IN THE)	DOCKET NO.
NORA COALBED GAS FIELD,)	94-0517-0448
DESCRIBED IN EXHIBIT A HERETO)	
AND SERVED BY WELL NO.)	
VC-2966 (herein "Subject)	
Drilling Unit") PURSUANT TO)	
§§ 45.1-361.21 and 45.1-361.22,)	
CODE OF VIRGINIA, 1950 AS)	
AMENDED, FOR THE PRODUCTION)	
OF OCCLUDED NATURAL GAS)	
PRODUCED FROM COALBEDS AND)	
ROCK STRATA ASSOCIATED THEREWITH)	
(herein "Coalbed Methane Gas")	
or "Gas"))	
)	
)	
LEGAL DESCRIPTION:)	
)	
SUBJECT DRILLING UNIT SERVED BY WELL)	
NUMBERED VC-2966 (herein "Well") TO BE)	
DRILLED AT THE LOCATION DEPICTED ON)	
EXHIBIT A HERETO, CLINCHFIELD COAL)	
COMPANY TRACT, J. H. POWERS COAL TRACT)	
DON K. OWENS OIL AND GAS TRACT,)	
DUTY QUADRANGLE,)	
ERVINTON MAGISTERIAL DISTRICT,)	
DICKENSON COUNTY, VIRGINIA (the "Subject)	
Lands" are more particularly described)	
on Exhibit "A", attached hereto and)	
made a part hereof))	

REPORT OF THE BOARDFINDINGS AND TEMPORARY ORDER

1. Hearing Date and Place: This matter was continued from the Board's docket on May 17, 1994, and came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at 9:00 a.m. on June 21, 1994, Dickenson Conference Room, Southwest Virginia 4-H Education Center, Abingdon, Virginia.

2. Appearances: James E. Kaiser of Hunter, Smith & Davis appeared for the Applicant; Channe R. Barton appeared pro se; Leonard O. Powers, Trulah F. Powers and Lisa J. Powers filed written objections dated April 23, 1994. Leonard O. Powers and Trulah F. Powers personally appeared at the hearing on June 21, 1994 to present testimony on their own behalf and on behalf of Bonnie Catherine Powers Kiser and Edward H. Kiser, husband/wife; Theresa Edwards and Rick Edwards, wife/husband; Calvin Lee Powers, Jr., and Brenda Powers, husband/wife; Lisa Jo Powers, Single; Susie Lee; Cheryl O'Quinn and Danny O'Quinn, wife/husband; Claudia J. Whitt and Paul Whitt; Linda Stanley and Bobbbie Stanley, wife/husband; Onie May Kiser and Roy Kiser; Sandra Kiser, Johnny Edwards and A. J. Powers; and Sandra B. Riggs, Assistant Attorney General, was present to advise the Board.

3. Jurisdiction and Notice: Pursuant to Va. Code § 45.1-361.1 et seq., the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a meaningful search of reasonably available sources to determine the identity and whereabouts of potential owners, i.e., persons identified by Applicant as having or claiming the rights to coalbed methane gas in all Pennsylvanian Age coals from the top of the Raven formation, including all splits to the top of the red and green shales, including, but not limited to, Raven, Jawbone, Tiller, Upper Horsepen, Middle Horsepen, Lower Horsepen, War Creek, Beckley, Pocahontas No. 8, Pocahontas No. 4, Pocahontas No. 3, and Pocahontas No. 1, and any other unnamed coal seams, coalbeds and rock strata associated therewith (hereafter "Subject Formations") in the Subject Drilling Unit underlying and comprised of Subject Lands, and (2) has given notice to all parties so identified (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships, associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by Va. Code §§ 45.1-361.19 and 45.1-361.22, to notice of this application; (3) that the persons set forth in Exhibit B hereto are persons identified by Applicant who may be claimants of Coalbed Methane Gas interests in Subject Formations, in the Subject Drilling Unit underlying and comprised of Subject Lands, and set forth in Paragraph 4 below are additional claimants who appeared at the hearing of this matter. Further, the Board has caused notice of this hearing to be published as required by Va. Code § 45.1-361.19.B. Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of state and federal due process.

4. Amendments: Exhibit B is amended to add the following claimants who appeared at the hearing of this matter but were not named as respondents in the pooling application: Susie Lee; Cheryl O'Quinn and Danny O'Quinn, wife/husband; Claudia J. Whitt and Paul Whitt; Linda Stanley and Bobbie Stanley, wife/husband; Onie Mae Kiser and Roy Kiser; Sandra Kiser; Johnny Edwards and A. J. Powers.

5. Dismissals: None.

6. Relief Requested: Applicant requests (1) that pursuant to Va. Code § 45.1-361.22, including the applicable portions of Va. Code § 45.1-361.21, the Board pool the rights, interests and claims in and to the Gas in the Subject Drilling Unit, including those of the known and unknown persons named herein and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, for the drilling and operation, including production, of Coalbed Methane Gas produced from the Subject Drilling Unit established for the Subject Formations underlying and comprised of the Subject Lands, (hereafter sometimes collectively identified and referred to as "well development and/or operation in the Subject Drilling Unit"); and (2) that the Board designate Equitable Resources Exploration as the Unit Operator.

7. Relief Granted: The requested relief in this cause be and hereby is granted: (1) pursuant to Va. Code § 45.1-361.21.C.3, Equitable Resources Exploration (hereafter "Unit Operator") is designated as the Unit Operator authorized to drill and operate the Well in the Subject Drilling Unit, subject to the permit provisions contained in Section 45.1-361.27 et seq., Code of Virginia, 1950 as amended, to § 480-05-22.1 et seq., Gas and Oil Regulations and to § 480-05-22.2 et seq., Virginia Gas and Oil Board Regulations, and to the Oil and Gas Conservation Board's Order entered March 20, 1989, establishing Drilling Units for the Nora Coalbed Gas Field in Dickenson, Wise, Russell and Buchanan Counties, Virginia, all as amended from time to time; and (2) all the rights and interests in and to the Gas in the Subject Drilling Unit, including those of the known and unknown persons listed on Exhibit B attached hereto and made a part hereof, as amended in Paragraph 4 hereof, and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, be and hereby are pooled in the Subject Formations in the Subject Drilling Unit underlying and comprised of the Subject Lands.

<u>Subject Formations</u>	<u>Subject Unit Size</u>	<u>Permitted Well Location</u>	<u>Field and Well Classification</u>	<u>Order Number</u>
All Pennsylvanian Age coals from the top of the Raven formation, including all splits to the top of the red and green shales, including, but not limited to, Raven, Jawbone, Tiller, Upper Horsepen, Middle Horsepen, Lower Horsepen, War Creek, Beckley, Pocahontas No. 8, Pocahontas No. 4, Pocahontas No. 3, Pocahontas No. 1, and any other unnamed coal seams, coalbeds, and rock strata associated therewith	Approximately 58.77 acres	Well VC-2966 to be located as depicted on Exhibit A Depth: 2,300 feet	Nora Coalbed Gas Field	OGCB Order dated March 20, 1989, establishing Drilling Units for the Nora Coal Bed Gas Field in Dickenson Wise, Russell and Buchanan Counties, Virginia

For the Subject Drilling Unit
underlying and comprised of the Subject
Land referred to as:

Subject Unit Served by Well VC-2966
Dickenson County, Virginia

8. Election and Election Period: In the event any gas or oil owner or claimant named in Exhibit B, as amended, does not reached a voluntary agreement to share in the operation of the well to be located in the Subject Drilling Unit at a rate of payment mutually agreed to by said gas or oil owner or claimant and the Operator, then such person may elect one of the options set forth in Paragraph 9 below and must give written notice of his election of the option selected under Paragraph 9 herein to the designated Unit Operator at the address shown below within thirty (30) days from the date this Order is recorded in the county above named. A timely election shall be deemed to have been made if, on or before the last day of said 30-day period, such electing person has delivered his written election to the designated Unit Operator at the address shown below or has duly postmarked and placed its written election in first class United States mail, postage prepaid, addressed to the Unit Operator at the address shown below.

9. Election Options:

9.1 Option 1 - To Participate In The Development and Operation of the Drilling Unit: Any gas or oil owner or claimant pooled hereby, who does not reach a voluntary agreement with the Operator, may elect to participate in the development and operation of the Subject Drilling Unit (hereafter "Participating Operator") by agreeing to pay such

Participating Operator's proportionate part of the actual and reasonable costs, including a reasonable supervision fee, of the well development and operation in the Subject Drilling Unit, as more particularly set forth in Virginia Gas and Oil Board Regulation VR 480-05-22.2, Section 10 ("Completed-for-Production Costs"). Further, a Participating Operator agrees to pay his proportionate part of the Estimated, Completed-for-Production Costs set forth below to the Unit Operator within forty-five (45) days from the later of the date of mailing or the date of recording of this Order. The Estimated, Completed-for-Production Costs for the Subject Drilling Unit are as follows:

Estimated, Completed-for-Production Costs - \$197,200.00

A Participating Operator's proportionate cost hereunder shall be the result obtained by multiplying the Participating Operator's Percentage Interest Within Unit as set forth in Exhibit B times the costs stated immediately above. Provided, however, that in the event a Participating Operator elects to participate and fails or refuses to pay his proportionate part of the Estimated, Completed-for-Production Costs as set forth above, all within the time set forth herein and in the manner prescribed in Paragraph 8 of this Order, then such Participating Operator shall be deemed to have elected not to participate and, subject to a final legal determination of ownership, to have accepted the cash bonus consideration in lieu of participation pursuant to Paragraph 9.2 hereof.

- 9.2 Option 2 - Receive a Cash Bonus Consideration from Operator: In lieu of participating in the development and operation of the Subject Drilling Unit under Paragraph 9.1 above, any gas or oil owner or claimant pooled hereunder who does not reach a voluntary agreement with the Operator may elect to accept a cash bonus consideration of \$5.00 per net mineral acre owned by such person, commencing upon entry of this Order and continuing annually until commencement of production from the Subject Drilling Unit, and thereafter a royalty of 1/8th of 8/8ths [twelve and one-half percent (12.5%)] of the net proceeds received by the Unit Operator for the sale of the Coalbed Methane Gas produced from any well development covered by this Order multiplied by the gas or oil owner's or claimant's Percentage Interest Within Unit as set forth in Exhibit B (for purposes of this Order, net proceeds shall be actual proceeds received less all post-production costs incurred downstream of the wellhead, including, but not limited to, all gathering, compression, treating, transportation and marketing costs, whether performed by Unit Operator or a third person) as fair, reasonable and equitable compensation to be paid to said gas or oil owner. The initial cash bonus shall become due and owing when so elected and shall be tendered, paid or escrowed within sixty (60) days of recording of this Order. Thereafter, annual cash bonuses, if any, shall become due and owing on each anniversary of the date of recording of this order in the event production from the Subject Drilling Unit has not theretofore commenced, and once due, shall be tendered, paid or escrowed within sixty (60) days of said anniversary date. Once the initial cash bonus and the annual cash bonuses, if any, are so paid or escrowed, subject to a final legal determination of ownership, said payment(s) shall be satisfaction in full for the right, interests, and claims of such electing gas or oil owner or claimant in and to the Gas produced from Subject Formation underlying the Subject Lands, except, however, for the 1/8th royalties due hereunder.

The election made under this Paragraph 9.2, when so made, shall be satisfaction in full for the right, interests and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to and hereby does lease and assign, subject to a final legal determination of ownership, his right, interests and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Unit Operator.

- 9.3. Option 3 - To Share In The Development And Operation As A Non-Participating Person On A Carried Basis And To Receive Consideration In Lieu Of Cash: In lieu of participating in the development and operation of the Subject Drilling Unit under Paragraph 9.1 above and in lieu of receiving the Cash Bonus Consideration under Paragraph 9.2 above, any gas or oil owner or claimant pooled hereby who does not reach a voluntary agreement with the Operator may elect to share in the development and operation of the Subject Drilling Unit on a carried basis (as a "Carried Well Operator") so that the proportionate part of the Completed-for-Production Costs hereby allocable to such Carried Well Operator's interest is charged against such Carried Well Operator's share of production from the Subject Drilling Unit. Such Carried Well Operator's rights, interests, and claims to the Gas in the Subject Drilling Unit shall be deemed and hereby are assigned to the Unit Operator until the proceeds from the sale of such Carried Well Operator's share of production from the Subject Drilling Unit (exclusive of any royalty, excess or overriding royalty, or other non-operating or non cost-bearing burden reserved in any lease, assignment thereof or agreement relating thereto covering such interest) equals three hundred percent (300%) for a leased interest or two hundred percent (200%) for an unleased interest (whichever is applicable) of such Carried Well Operator's share of the Completed-for-Production Costs allocable to the interest of such Carried Well Operator. When the Unit Operator recoups and recovers from such Carried Well Operator's assigned interest the amounts provided for above, then, the assigned interest of such Carried Well Operator shall automatically revert back to such Carried Well Operator, and from and after such reversion, such Carried Well Operator shall be treated as if it had participated initially under Paragraph 9.1 above; and thereafter, such participating person shall be charged with and shall pay his proportionate part of all further costs of such well development.

The election made under this Paragraph 9.4, when so made, shall be satisfaction in full for the rights, interests, and claims of such electing person in any well development and operation covered hereby and, subject to a final legal determination of ownership, such electing person shall be deemed to have and hereby does assign his rights, interests and claims in the Gas produced from Subject Formations in the Subject Drilling Unit to the Applicant for the period of time during which its interest is carried as above provided prior to its reversion back to such electing person.

10. Failure to Properly Elect: In the event a person named in Exhibit B, as amended, does not reach a voluntary agreement with the Operator and fails to elect within the time, in the manner and in accordance with the terms of this Order one of the alternatives set forth in Paragraph 9 above for which his interest qualifies, then such person shall be deemed to have elected not to participate in the proposed development and operation of Subject Drilling Unit and shall be deemed, subject to a final legal determination of ownership, to have elected to accept as satisfaction in full for such person's right, interests and claims, the consideration provided in Paragraph 9.2 above, and shall be deemed to have leased and/or assigned all his right, interests and claims to said Gas produced from Subject Formation in Subject Drilling Unit to the Applicant.

Persons who fail to properly elect shall be deemed, subject to a final legal determination of ownership, to have accepted the compensation and terms set forth herein at Paragraph 9.2 in satisfaction in full for the rights, interests, and claims of such person to the Gas produced from Subject Formation underlying Subject Lands.

11. Default By Participating Person: In the event a person pooled hereby elects to participate under Paragraph 9.1, but fails or refuses to pay, to secure the payment or to make an arrangement with the Unit Operator for the payment of such person's proportionate part of the Estimated Completed-for-Production costs as set forth herein, all within the time and in the manner as prescribed in this Order, then such person shall be deemed to have withdrawn his election to participate and shall be deemed to have elected to accept as satisfaction in full for such person's right, interests and claims in and to the Gas the consideration provided in Paragraph 9.2 above for which his interest qualifies depending on the excess burdens attached to such interest. Whereupon, any cash bonus consideration due as a result of such deemed election shall be tendered, paid or escrowed by Unit Operator within sixty (60) days after the last day on which such defaulting person under this Order should have paid his proportionate part of such cost or should have made satisfactory arrangements for the payment thereof. When such cash bonus consideration is paid or escrowed, it shall be satisfaction in full for the right, interests and claims of such person to the Gas underlying Subject Drilling Unit in the Subject Lands covered hereby, except, however, for any 1/8 royalties which would become due pursuant to Paragraph 9.2 hereof.

12. Assignment of Interest: In the event a person pooled hereby is unable to reach a voluntary agreement to share in the operation of any well contemplated by this Order at a rate of payment agreed to mutually by said gas or oil owner or claimant and the Operator and said person elects or fails to elect to do other than participate under Paragraph 9.1 above in the development and operation of the well in the Subject Formations in the Subject Drilling Unit, then, subject to a final legal determination of ownership,, such person shall be deemed to have and shall have assigned unto Unit Operator such person's right, interests and claims in and to said well, in the Subject Formations in Subject Drilling Unit, and other share in production to which such person may be entitled by reason of any election or deemed election hereunder in accordance with the provisions of this Order governing said election.

13. Unit Operator (or Operator): The Applicant, Equitable Resources Exploration, be and hereby is designated as Unit Operator authorized to drill and operate the well in Subject Formations in the Subject Drilling Unit, all subject to the permit provisions contained in Va. Code §§ 45.1-361.27 et seq., §§ 480-05-22.1 et seq., Gas and Oil Regulations and §§ 480-05-22.2 et seq., Virginia Gas and Oil Board Regulations, and the Gas and Oil Conservation Board's Order entered March 20, 1989, establishing drilling units for the Nora Coal Bed Gas Field in Dickenson, Wise, Russell and Buchanan Counties, Virginia, all as amended from time to time, and all elections required by this Order shall be communicated to Unit Operator in writing at the address shown below:

Equitable Resources Exploration
P. O. Box 1983
1989 East Stone Drive
Kingsport, TN 37662
Phone: (615) 224-3800
Fax: (615) 224-3892
Atten: Dennis R. Baker, Regulatory

14. Commencement of Operations: Unit Operator shall commence or cause to commence operations for the drilling of any well covered hereby within three hundred and sixty-five (365) days from the date of this Order and shall prosecute the same with due diligence. If Unit Operator shall not have so commenced and/or prosecuted, then this Order shall terminate, except for any cash sums becoming

payable hereunder; otherwise, this Order shall expire at 12:00 P.M. on the date on which any well covered by this Order is permanently abandoned and plugged unless sooner terminated by Order of the Board. However, in the event an appeal is taken from this Order, then the time between the filing of the Petition for Appeal and the final Order of the Circuit Court shall be excluded in calculating the one year period referenced to herein.

Upon completion of any Well whose costs comprise part of the estimated completed-for-production costs above and within ninety (90) days after production into the pipeline is obtained and restoration of the location is completed, the Operator shall file with the Board a revised exhibit reflecting the actual Completed-for-Production Costs for the Subject Drilling Unit.

15. Operator's Lien: Unit Operator, in addition to the other rights afforded hereunder, shall have a lien and a right of set off on the Gas rights and interests owned by any person subject hereto who elects to participate under Paragraph 9.1 in the Subject Drilling Unit to the extent that costs incurred in the drilling or operation of the Subject Drilling Unit are a charge against such person's interest. Such liens and right of set off shall be separable as to each separate person and shall remain a lien until the Unit Operator drilling or operating any well covered hereby has been paid the full amounts due under the terms of this Order.

16. Escrow Provisions:

By this Order, the Board instructs the Escrow Agent named herein or any successor named by the Board to establish an interest-bearing escrow account, (herein "the Escrow Account") to receive and account to the Board pursuant to its agreement for the escrowed funds hereafter described:

Tazewell National Bank
P. O. Box 909
Tazewell, VA 24651
(herein "Escrow Agent")

16.1 Escrow Provisions For Unknown or Unlocatable Persons: If any payment of bonus, royalty payment or other payment due and owing under this Order cannot be made because the person entitled thereto cannot be located or is unknown, then such cash bonus, royalty payment, or other payment shall not be commingled with any funds of the Unit Operator, and pursuant to Va. Code § 45.1-361.21.D, said sums shall be deposited by the Operator into the Escrow Account, commencing within sixty (60) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of the report format approved by the Inspector, by a date which is no later than sixty (60) days after the last day of each month being reported and/or for which funds subject to deposit. Such funds shall be held for the exclusive use of, and sole benefit of the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board in accordance with Va. Code § 45.1-361.21.D.

16.2 Escrow Provisions For Conflicting Claimants: If any payment of bonus, royalty payment or other payment due and owing under this Order cannot be made because the person entitled thereto cannot be made certain due to conflicting claims of ownership and/or a defect or cloud on the title, then such cash bonus, royalty payment or other payment, together with Participating Operator's Proportionate Costs paid to Operator pursuant to Paragraph 9.1, if any, (1) shall not be commingled with any funds of the Unit Operator; and (2) shall, pursuant to Va. Code §§ 45.1-361.22A.2, 45.1-361.22A.3 and 45.1-361.22A.4, be deposited by the Operator into the Escrow Account, commencing within sixty (60) days of the recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of a report format approved by the Inspector, by a date which is no later than sixty (60) days after

the last day of each month being reported and/or for which funds are subject to deposit. Such funds shall be held for the exclusive use of, and sole benefit of, the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board.

17. Special Findings: The Board specifically and specially finds:
 - 17.1 Applicant is a division of Equitable Resources Energy Company, a corporation duly authorized to transact business in the Commonwealth of Virginia;
 - 17.2 Applicant claims control of oil and gas and coalbed methane gas leasehold estates representing 41.49 percent of the gas and oil estate, and 100 percent of the coal estate for the acreage underlying the Subject Drilling Unit.
 - 17.3 Applicant is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia;
 - 17.4 Applicant has proposed the drilling of one (1) well, Well VC-2966, to a depth of 2,300 feet on the Subject Drilling Unit to develop the Gas in Subject Formations. Applicant stipulated that no surface rights are required or sought on Tracts 2 and 3 of Subject Drilling Unit.
 - 17.5 Respondents are listed on Exhibit "B". Included in Exhibit "B", as amended by Paragraph 4 hereof, are the names and last known addresses of each person of record identified by the Applicant as having or claiming a potential interest in the Coalbed Methane Gas in the Subject Drilling Unit underlying and comprised of Subject Lands. Those owners or claimants who have not reached a voluntary agreement to share in the operation of the well represent 58.51 percent of the gas and oil estate in Subject Drilling Unit.
 - 17.6 The estimated production over the life of the well is 350 million cubic feet.
 - 17.7 Applicant's evidence established that the fair, reasonable and equitable compensation to be paid to any person in lieu of the right to participate in any well covered hereby are those options provided in Paragraph 9 above; and
 - 17.8. A well work permit for Well VC-2966 is currently pending before the Department of Mines, Minerals and Energy.
 - 17.9 The relief requested and granted is just and reasonable, is supported by substantial evidence and will afford each person in the Subject Drilling Unit the opportunity to recover or receive, without unnecessary expense, each person's just and fair share of the production from the Subject Drilling Unit, subject to a final legal determination of ownership; and the granting of the Application and relief requested therein will ensure to the extent possible at this time the greatest ultimate recovery of coalbed methane gas, prevent or assist in preventing the various types of waste prohibited by statute, and protect or assist in protecting the correlative rights of all persons in the subject common sources of supply in the Subject Lands. Therefore, the Board is entering an Order granting the relief herein set forth.

18. Mailing Of Order And Filing Of Affidavit: Applicant or its Attorney shall file an affidavit with the Secretary of the Board within sixty (60) days after the date of receipt of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of receipt of this Order to each person pooled by this Order whose address is known.

19. Availability of Unit Records: The Director shall provide all persons not subject to a lease with reasonable access to all records for the Subject Drilling Unit which are submitted by the Unit Operator to said Director and/or his Inspector(s).

20. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

21. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 29th day of July, 1994, by a majority of the Virginia Gas and Oil Board.

Benny R. Wampler
Chairman, Benny R. Wampler

DONE AND PERFORMED this 29th day of July, 1994, by Order of this Board.

Byron Thomas Fulmer
Byron Thomas Fulmer
Principal Executive To The Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 29th day of July, 1994, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

Susan G. Garrett
Susan G. Garrett
Notary Public

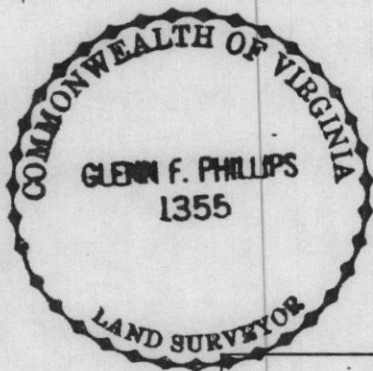
My commission expires 7/31/98

STATE OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 29th day of July, 1994, personally before me a notary public in and for the Commonwealth of Virginia, appeared Byron Thomas Fulmer, being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

Diane J. Davis
Diane J. Davis
Notary Public

My commission expires 09/30/97



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Latitude 37° 07' 30"

4,450'

Longitude 82° 12' 30"

11,890'

J. H. Powers
1108.79 Acres
Clinchfield Coal Company /
Pyxis Resources Company - coal

Leonard Powers
surface, oil & gas
J. H. Powers
1108.79 Acres
Clinchfield Coal Company /
Pyxis Resources Company - coal
Gas 16.23 Ac. 27.61%

Leonard Powers, et al
surface, oil & gas
41.87 Acres
J. H. Powers
1108.79 Acres
Clinchfield Coal Company /
Pyxis Resources Company - coal
Gas 18.16 Ac. 30.90%

Well Coordinates: (VA St. Plane S. Zone,
Calculated from CCC coordinates)
N 297,732 E 914,216

Well Coordinates: (Clinchfield Coal Co.)
S 2,793.87 E 46,630.10

Area of Unit = 58.77 Ac.

Well elevation determined by trigonometric
leveling from monument Ashby

WELL LOCATION PLAT

COMPANY Equitable Resources Exploration WELL NAME AND NUMBER VC-2966
TRACT NO. 241711L ELEVATION 2073.56 QUADRANGLE Duty
COUNTY Dickenson DISTRICT Ervinton SCALE 1" = 400' DATE 3-10-1994

This Plat is a new plat X; an updated plat ; or a final location plat

+ Denotes the location of a well on United States topographic Maps, scale 1 to 24,000, latitude and longitude lines being represented by border lines as shown.

Licensed Professional Engineer or Licensed Land Surveyor

EXHIBIT "B"
VC-2966

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Gas Estate Only</u>				
1	Don K. Owens and Kay R. Owens, H/W Box 4 Haysi, VA 24256	Leased-EREX 241711L-01	41.35%	24.30
2	Leonard Oscar Powers and Trulah Powers, H/W P. O. Box 277 Weippe, ID 83553	Unleased	27.61%	16.23
3	Leonard Oscar Powers and Trulah Powers, H/W P. O. Box 277 Weippe, ID 83553	Unleased	13.75%	8.08
	Bonnie Catherine Powers Kiser and Edward H. Kiser, W/H Star Route Box 65 Birchleaf, VA 24220	Unleased	3.431%	2.016
	Theresa Edwards and Rick Edwards, W/H HCR 1, Box 440 Birchleaf, VA 24220	Unleased	4.573%	2.688
	Calvin Lee Powers, Jr., and Branda Powers, H/w HCR 1, Box 440 Birchleaf, VA 24220	Unleased	4.573%	2.688
	Lisa Jo Powers, Single 1511 Ninth Avenue Lewistown, ID 83501	Unleased	4.573%	2.688

EXHIBIT "B"
VC-2966

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
4	Pine Mountain Oil & Gas, Inc. ATTN: Richard Brillhart P. O. Box 4000 Lebanon, VA 24266	Leased-EREX 241490L-01 PO #148, T-414	.14%	.08
TOTAL			100.00%	58.77
Percentage of Unit Leased			41.49%	
Percentage of Unit Unleased			58.51%	
Acreage in Unit Leased				24.38
Acreage in Unit Unleased				34.39

Coal Estate Only

1,2,&3	Clinchfield Coal Co. ATTN: Paul Guild, Chief Engineer P. O. Box 7 Dante, VA 24237 Pyxis Resources Company ATTN: Larry Cline, Property Mgr. P. O. Box 5100 Lebanon, VA 24266	Leased-EREX 241640L-01 PO #1042 T2C-233	99.86%	58.69
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EXHIBIT "B"
VC-2966

TRACT	LESSOR	LEASE STATUS	INTEREST WITHIN UNIT	GROSS ACREAGE IN UNIT
4	Clinchfield Coal Co. ATTN: Paul Guild, Chief Engineer P. O. Box 7 Dante, VA 24237 Pyxis Resources Company ATTN: Larry Cline, Property Mgr. P. O. Box 5100 Lebanon, VA 24266	Leased-EREX 241490L-01 PO #148 T-414	.14%	.08
TOTAL			100.00%	58.77

Percentage of Unit Leased
Percentage of Unit Unleased

100.00%
0.00%

Acreage in Unit Leased
Acreage in Unit Unleased

58.77
0.00

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF DICKENSON COUNTY, August 5, 1994. This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 10:30 o'clock A.M., after payment of \$ tax imposed by Sec. 58.1-802.

Original returned this date to:

Diane Davis

BY:

TESTE: JOE TATE, CLERK

Lula Large D. CLERK